

Handyman Service

"I'm the Man!" Handyman Services

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Chicago, IL 60617

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This business plan describes a comprehensive handyman service targeting busy or tool-impaired home owners and apartment dwellers. It raised \$300,000 for the company's owner, who plans on someday franchising his concept nationwide.

EXECUTIVE SUMMARY

Business Overview

Home owners and apartment renters have requirements for "small job" maintenance, including tasks constructing prefabricated furniture, installing shelving and curtains, hanging artwork, changing lighting fixtures, and many other tasks that are typically referred to as "handyman services".

It is difficult to find qualified people who will take on these small jobs. Contractors, carpenters, plumbers, and electricians are not interested in these smaller tasks. Superintendents are normally too busy to be available at the customer's convenience, or can not provide a professional level of customer satisfaction.

Enter "I'm the Man!" Handyman Services!

Starting in Chicago, "I'm the Man!" Handyman Services will offer small-job handyman services. Bonded, screened, and highly trained Handymen will be assigned to a limited number of buildings (based on demand) for the specific purpose of providing handyman services for the tenants. Each handyman will support enough buildings to occupy them on a full-time basis with the ability to respond to tenants' requests quickly. The fee for on-site handyman services will range, based on market conditions and geographic location. However for the purpose of this business plan we are assuming \$65 per hour.

"I'm the Man!" Handyman Services also will create relationships with third-party vendors, such as plumbers, electricians, computer technicians, home theater experts, and others. All outside vendors will be pre-screened for their professionalism and expertise. When additional services are needed, "I'm the Man!" Handyman Services will schedule and oversee that work for an incremental fee.

Additionally, "I'm the Man!" Handyman Services will create the "Making It Easier Line" of specialized tenant services.

Making It Easier

Everyone today is barraged by the media and overwhelmed with the technology that takes an ever-increasing amount of time to master and that seems to never have an end. There is always something to complicate your life making your daily routine more difficult. From using your cell phone, home wireless phone and computer,

to dealing with multiple television remote controls, the home theater and wireless internet connections, to figuring out how to program the clock in your car or keep your VCR from blinking all the time . . . It seems there is always something to confuse you, trip you up, cause a delay, and make your life more complicated.

The “Making It Easier Line” is a suite of services designed to remove some of this difficulty from your life. It consists of a telephone hot-line combined with concierge-type services to provide assistance to people in reducing life’s complexities. The telephone hot-line will be initially staffed 40 hours per week with after hour on-call services at an additional fee. Qualified consultants will politely and expertly help you to get through just about any technical or electronic problem you might come across. These individuals will utilize the Internet, other resources for information, and their own product familiarity to guide callers through whatever problems they may be experiencing. A leading help-desk software package will be utilized to track client problem resolutions, so that over time, the Company will build a collection of fixes for specific problems. Further, consultants will be available to be dispatched within 24 hours to address problems that callers don’t wish to handle themselves and are willing to pay to have done for them.

Calls received Monday through Friday between the hours of 9 a.m. to 5 p.m. will be returned within four hours, and off-hour calls will be returned within 12 hours, unless the caller specifies they are willing to pay an extra fee to expedite the process.

The pricing structure for the Making It Easier Line most likely will focus on a per incident fee with discounts for purchasing multiple calls in advance. For purposes of this business plan, we are assuming a per-incident fee of \$35 with no discounts. Onsite consulting services offered through the hot-line will be charged at the rate of \$125 per hour plus materials—distinctly separate from handyman services.

Additionally, a Simplification Assessment will be offered through the hot-line, specifically to analyze the complexities in ones life and present an action plan for simplifying them. The charge for the assessment will be \$995, and will consist of one day on-site at a person’s home, one day off-site to prepare a proposal, and phone call to review the recommendations that come from the assessment. The customer may then choose whether or not to utilize “I’m the Man!” Handyman Services to implement any recommendations made, which would be done for an additional fee.

Not Just Computers or Technology

The Company expects that a significant portion of calls to the telephone hot-line may be in relation to computers and technology and will gear up for this accordingly. However the Company will not heavily market itself as a computer and technology help desk. Instead it will focus on other areas where a little help can have dramatic results.

Examples of non computer/technical areas where the hot-line will be of value to customers include:

- using the home office
- interior design and appliance feature choices
- features and capability comparisons of any number of products
- automobile services
- comparing service providers of any kind
- personal organization
- home organization
- home projects

The purpose of the Making It Easier Service and its associated hot-line are to help people remove complex decisions from their lives. The Company intends to become a trusted source of information much the same way *Consumer Reports* does in its magazines—but with a personal touch—available to callers immediately when they want it by simply making a phone call.

BUSINESS STRATEGY

The goal of the Company's business model is to establish a customer base before hiring personnel or taking on investment in physical assets so that the Company grows with the demand for its services.

Test Market Scenario

From February through August 2004, Charlie Miller did "hands-on" research advertising handyman services solely on Craigslist.org, a free online bulletin board serving individuals in Chicago. Business was brisk prior to July 4th, slowing in late July and early August. Appointments for late August into September have already been increasing. The most hours scheduled for handyman services in one week was 65, the average was 35.

Business has been divided about 40 percent from central Chicago, 50 percent from northern metro Chicago, and 10 percent from southern/western metro Chicago. The customer base came from Craigslist online; basically from lower rent buildings. It is believed that creative marketing and advertising strategies would yield increased business.

Seventy-five percent of customers scheduled a minimum of three hours, and 20 percent required one full day or more. Most customers had prepared lists of items needing attention, requiring multiple appointments to address them. Additionally, 45 percent of existing customers requested additional services, covered in this business plan under strategic relationships. Twenty percent of customers have referred Mr. Miller to other accounts.

It should be noted that between 10 a.m. and 4 p.m. on weekdays the hourly charge was \$45, and \$75 per hour after 4pm weekdays and on weekends. Of the total amount of business done, over 40 percent of requests were for times when the higher rate was in effect.

The conclusion drawn from this test market is as follows. There is a strong need for handyman services in Chicago, and the convenience of having a handyman available after hours and on weekends outweighs the price for these services. "I'm the Man!" Handyman Services intends to build its business by specifically filling this need.

MARKET ANALYSIS

The niche identified by this plan is large. For example, in Greater Chicago alone there are tens of thousands of apartments in rented, coop and condo buildings. Some of these buildings have available concierge or handyman services, but most do not.

Further, there are thousands of third-party businesses that provide products and services for company's clients, and the Company intends to form strategic partnerships with many of them.

Marketing & Sales

The intended marketing/sales plan will be to advertise heavily in local newspapers that are distributed in key geographic areas of the city, and to use direct mail campaigns to send brochures to all the tenants that live within those areas. The Company will make use of multiple advertising techniques, including the posting of flyers wherever possible (and legal), and in the future as business warrants, radio or cable television advertising.

The primary objectives of the Company's marketing plan are to:

- Advertise directly to tenants to inform them of "I'm the Man!" Handyman Services, the Company, and its services, and to get the Company's value proposition in front of potential clients.

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- Build customer satisfaction in “I’m the Man!” Handyman Services as a premiere service provider for individuals seeking handyman services.
- Identify and create strategic alliances with third-party companies that offer products and services that when combined with “I’m the Man!” Handyman Services provide a value added proposition to potential clients.

When the Company reaches its goal of 10 full-time handymen in Chicago, the Company will consider expanding into additional markets.

PRODUCTS & SERVICES

Pricing for the Making It Easier service, the associated telephone hot-Line, and other on-site services are detailed above.

All handyman services will be billed to tenants at \$65 per hour, plus materials. This represents a \$20 per hour incremental net hourly charge over anticipated costs. The Company may change this fee based on market conditions and actual costs as they are determined, but will in any case maintain a minimum of \$20 per hour minimum net over-ride.

The scope of handyman services will include jobs that do not require permits or building approval. This includes services such as the ones listed in Table 1 below.

Services that fall outside the scope of standard handyman services will be provided through the use of third-party contractors. “I’m the Man!” Handyman Services will determine what type of additional expertise is required and will quote the customer a rate for that service based on the “I’m the Man!” Handyman rate card or list of services and fees yet to be determined. “I’m the Man!” Handyman will coordinate the delivery of the service, taking all the “worry” out of the customer’s hands.

Strategic Partnerships

Strategic partners will consist of services firms that provide a specific value when combined with “I’m the Man!” Handyman Services, or companies that sell products our clients may have interest in purchasing. Examples of strategic partners might include moving firms, firms that sell and install home theater systems or furniture, or stores such as Home Depot, Gracious Home, and Bed, Bath and Beyond.

“I’m the Man!” Handyman Services will build strategic partnerships with these companies. Some of these relationships will be made available to our clients through the “I’m the Man!” Handyman Services Web site and others will be featured in a monthly newsletter and other advertising materials. Co-branded direct mail advertising may be an optional way to keep costs down while providing an increased value proposition to potential clients.

“I’m the Man!” Handyman will receive a commission on the sale of products or will charge an incremental hourly fee on the use of third party strategic partner services.

Special Events

“I’m the Man!” Handyman Services will host special events on a semi-monthly basis in order to leverage the strategic partnerships that are built with third party companies and service providers.

One such event will be routine trips to local home stores, such as Home Depot, Lowe’s, or Gracious Home. “I’m the Man!” Handyman employees will help customers to select products for their homes, plus arrange for delivery and installation. The stores visited will offer special incentives and discounts specifically for “I’m the Man!” Handyman customers. Other perks, such as transportation to/from the store location may also be included.

It is anticipated that any costs associated with an event will either be covered by a small fee charged to customers for attending the event, or by the strategic partner hosting the event.

Typical services offered:

- Appliance installs
- Awnings
- Basement Cleanup
- Bath tubs
- Bathroom Repairs
- Blinds
- Bookcases
- Brick Work
- Cabinets
- Carpeting
- Caulking
- Cement
- Ceiling leaks
- Child proofing
- Chimneys
- Christmas lights
- Counter tops
- Curtains
- Dimmer switches
- Downspouts
- Dryer vents
- Drywall
- Ductwork
- Faucets
- Fixture installs & repair
- Fence & gates
- Filters
- Flood lights
- Flooring: hardwood, vinyl, tile
- Flower boxes
- Framing
- Furniture Moving
- Garage door install & repair

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- Garbage disposal
- Glass installs & replacement
- Grouting
- Gutter install & cleaning
- Hand rails
- Handicap ramps & railings
- Hanging items
- Kitchen repairs
- Landscaping
- Light fixtures
- Locks
- Mailboxes
- Masonry work
- Painting
- Paneling
- Pet Doors & Cat Condos
- Plastering
- Pressure washing
- Roof repairs & leaks
- Screens
- Shelving
- Shutters
- Sinks
- Skylights
- Sliding doors
- Smoke detectors
- Speaker, Phone & TV cabling
- Stairs, steps & railings
- Storage sheds
- Storm windows
- Sweeping & cleaning
- Swing set installs
- Toilet installs & repairs
- Towel racks
- Vents
- Weather stripping

- Window repairs
- Yard work

ADVERTISING

Primary advertising will be in local newspapers and circulars, through direct mailings sent to people who live in a specific geographic region, and through posted brochures and literature that will be distributed throughout the specific area. In the future, the Company intends to undertake an external advertising campaign using larger newspapers and magazines, radio, and/or television in order to reach a broader range of tenants who may live outside of the specific geographic territories that will be initially targeted.

Additionally, the Company will advertise through the extensive use of signs and placards placed around the city at establishments where potential clients entertain themselves. For instance, bowling alleys are great places for signs, as are coffee shops, laundromats, and grocery stores.

The Company's strategic partners also will play a major role in advertising the Company's services. Part of the strategic partner agreement will require the Company's strategic partners to send "I'm the Man!" Handyman marketing materials to their customers or to co-market and/or co-brand specific products and services with "I'm the Man!" Handyman Services in an effort to add value to the customer by bringing together specific products with specific services. These co-marketing agreements will change and grow on a month-to-month basis depending on customer response, market conditions, and overall Company growth.

"I'm the Man!" Handyman will also advertise on the Internet using recurring ads on free sites such as Craigslist, and fee-for-placement ads on sites like Google, though the use of Internet advertising will be strictly limited to regional localities.

An Advisory Board will be established to provide expert opinions, guidance, and creative marketing to best target potential customers and to grow and manage the business. People with extensive prior expertise in this or related industries as well as key "I'm the Man!" Handyman strategic partners and large investors will be invited to join the Advisory Board. A maximum of two percent of the Company will be reserved for Advisory Board members, to be distributed in quarter-percent or half-percent increments.

OPERATIONS

Initially, "I'm the Man!" Handyman will consist of two individuals who will create the marketing and sales materials, build relationships with third party providers, identify and hire "I'm the Man!" Handyman staff members and negotiate relationships with consultants. In addition, they will provide the vital marketing and advertising tools to develop the strategic relationships and implement the advertising campaigns. In the future, additional employees will be hired to take on more specific roles that develop as the Company grows and matures.

In the process of designing the Company's strategic focus, "I'm the Man!" Handyman Services will build a diverse organizational structure that drives the Company's success. This structure will be designed around a shared mission and vision for the future, which is inspiring, exciting and challenging, *but not unrealistic*. There will be a high level of internal communication to leverage the Company's services. The Company will continue to develop strategic partners; *customer service and satisfaction will be paramount*.

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There will be a high level of employee screening in the Company's hiring process, and an in-depth customer satisfaction training program. It will not be enough to simply deliver services on time—the achievement of customer satisfaction will be of the highest importance in every customer interaction by every “I’m the Man!” Handyman employee. The performance of our handymen, hot-line consultants, and field consultants, will be judged on their ability to generate customer satisfaction.

The Company will operate under the assumption that the customer is always correct, regardless of the specific details. To that end, the Company will offer free return visits to correct a problem or a 100 percent no-questions-asked refund within 30 days of service.

GROWTH STRATEGY

The Company is examining the possibility of a franchise program as a vehicle for sustained growth and intends to either launch this program after a proof of concept of one year in length, or to physically build its services in multiple cities starting in the Northeast and branching outward from there. Only large metropolitan areas will be considered for growth areas because suburban handyman services already exist from a large number of providers.

The Simply Your Life services will be offered first in metropolitan areas and based on its success may extend nationwide within a reasonably short period of time.

The mission of the management team is to build a sustainable and profitable organization in multiple locations throughout the United States. The management team may at some future date choose a growth strategy that fits the anticipated growth strategy of other large service firms in an attempt to produce interest from them, though the primary mission of the organization is to build sustainable momentum for the Company's services.

RISK FACTORS

The Company's quarterly revenues and operating results are difficult to predict and may fluctuate from quarter to quarter as a result of a variety of factors, including changes in pricing to accommodate market conditions, and seasonal patterns of spending. Further, to attract and retain customers the Company will need to continue to expand its market offerings, utilizing third party strategic relationships. This could lead to difficulties in management of contractors, competition for specific services, or adverse market conditions affecting a particular partner.

The Company will take active steps to mitigate risks. In preparation of the Company's pricing many factors will be considered. The Company will closely track the activities of all third parties, and will hold monthly review meetings to escalate and resolve issues and review and update the terms associated with strategic partnerships. The Company will utilize marketing and advertising campaigns to promote brand identity and will coordinate all expectations with internal and third party resources prior to release. This strategy should maximize customer satisfaction while minimizing potential costs associated with unplanned expenditures.

CONCLUSION

By guaranteeing a high level of customer satisfaction, providing fast, effective and professional work, “I’m the Man!” Handyman Services will provide a valuable service in Chicago. Combining this

unique business with other value-added services such as the Making It Easier Service and the Simply Your Life—Line, “I’m the Man!” Handyman Services will be poised to attain a large and loyal customer base.

POINT OF CONTACT

Your questions and comments are most welcome. Please contact: Charlie Miller, (312) 232-1133
Charlie@YourHandyman.com

FINANCIALS

Business Plan Assumptions

This business plan is based on the following assumptions:

1. In an effort to keep initial costs down, handymen will be hired as subcontractors and required to carry their own insurance, though the Company may simplify the process by offering the insurance as a deductible expense for each contractor.
2. The Company’s founder and CEO, Charlie Miller, will provide all client services until growth meets projections and additional staff are hired. Over time, Mr. Miller’s activities will be more focused on strategic relationship creation and Making It Easier assessments and services.
3. For the purpose of this business plan the net revenue realized from each billable handyman will be \$40 per hour, and starting in the fourth month following an intensive advertising campaign, handyman contractors will be placed at the rate of one per month, billing an average of 120 hours per month.
4. The net revenue realized from handyman services after 6 p.m. and on weekends will be \$60 per hour, and will consist of an average of 10 hours per month per person. These hours will be in addition to the estimated 120 monthly billable hours.
5. Making It Easier telephone services and on-site services will be provided by “I’m the Man!” Handyman Services full time employees. Subsequently, the following projections utilize gross realized revenue for these services, unlike the handyman contractors as stated above. The cost of services is then deducted in the P&L statement.
6. Making It Easier services are projected to begin in the second quarter of operations and ramp up from there at a rate of 10 calls per month and increasing at the rate of 150 percent per month thereafter. Onsite assessments will start in month three at one per month, increasing in month five to two per month, and thereafter adding one extra assessment per month. Simply Your Life onsite consulting hours will start at 20 hours per month in month four and ramp up at 150 percent per month thereafter.
7. Strategic Third Party Relationships will generate revenue in the form of value added sales and commissions, but more importantly they will generate increased demand for standard services. It is impossible to quantify this number in this business plan.
8. Though all services are billed on a time and materials basis, our handymen will not bill for small items used while onsite at customer locations. Each handyman will be initially outfitted with appropriate tools and small parts (screws, mollies, bolts, wire, etc.) that will be replenished by the Company as a cost of doing business. Materials that will be charged

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to the customer will include items ordered by the customer through “I’m the Man!”

Handyman Services, or installations where materials utilized are in excess of \$10 total cost. In such cases, “I’m the Man!” Handyman Services will bill the customer cost plus 20 percent to cover handling and acquisition costs.

Proposed Equity Financing

This business plan seeks to raise \$150,000 to cover operating expenses until Company cash flow builds to the projected level to cover cash expenditures. Twenty-five percent of the Company will be offered in exchange. As per the investor subscription agreement, investment funds will be held in escrow and not released for use until a minimum investment of \$75,000 is attained.

First year revenue projection

Services	Price	Month one	Month two	Month three	Month four	Month five	Month six
Daytime M-F handyman services	40	3,000	3,000	3,000	4,800	9,600	14,400
Evening/weekend handyman services	60	—	—	—	600	1,200	1,800
Simplify your life line incidents	35	—	—	—	700	1,050	1,574
Simplify your life assessments	995	—	—	995	995	1,990	2,985
Onsite simplify your life consulting	125	—	—	1,250	2,500	3,750	5,625
Value added sales	—	—	—	—	1,000	1,500	2,000
		\$ 3,000	\$ 3,000	\$ 5,245	\$ 10,595	\$ 19,090	\$ 28,385
		Month seven	Month eight	Month nine	Month ten	Month eleven	Month twelve
Daytime M-F handyman services	19,200	24,000	28,800	33,600	38,400	43,200	\$ 225,000
Evening/weekend handyman services	2,400	3,000	3,600	4,200	4,800	5,400	\$ 27,000
Simplify your life line incidents	2,363	3,544	5,316	7,973	11,960	17,940	\$ 52,421
Simplify your life assessments	3,980	4,975	5,970	6,965	7,960	8,955	\$ 45,770
Onsite simplify your life consulting	8,438	12,656	18,984	28,477	42,715	64,072	\$ 188,467
Value added sales	2,500	3,000	3,500	4,000	4,500	5,000	\$ 27,000
	\$ 38,880	\$ 51,175	\$ 66,170	\$ 85,215	\$ 110,335	\$ 144,568	<u>\$ 565,658</u>

Five year staffing projection

	1st year	2nd year	3rd year	4th year	5th year
CEO/president	\$ 75,000	\$ 86,250	\$ 99,188	\$ 114,066	\$ 131,175
VP marketing & sales	\$ 59,583	\$ 65,000	\$ 74,750	\$ 85,963	\$ 98,857
Sales assistant	\$ —	\$ 40,000	\$ 46,000	\$ 52,900	\$ 60,835
Sales assistant	\$ —	\$ —	\$ 40,000	\$ 46,000	\$ 52,900
Sales assistant	\$ —	\$ —	\$ —	\$ 40,000	\$ 46,000
Operations manager	\$ —	\$ 55,000	\$ 63,250	\$ 72,738	\$ 83,648
Operations manager	\$ —	\$ —	\$ 55,000	\$ 63,250	\$ 72,738
Operations manager	\$ —	\$ —	\$ —	\$ 55,000	\$ 63,250
Operations manager	\$ —	\$ —	\$ —	\$ —	\$ 55,000
Hot line phone rep	\$ 41,250	\$ 55,000	\$ 63,250	\$ 72,738	\$ 83,648
Hot line phone rep	\$ —	\$ 41,250	\$ 47,438	\$ 54,553	\$ 62,736
Hot line phone rep	\$ —	\$ —	\$ 41,250	\$ 47,438	\$ 54,553
Hot line phone rep	\$ —	\$ —	\$ —	\$ 41,250	\$ 47,438
Simplify your life field consultant	\$ 50,000	\$ 75,000	\$ 86,250	\$ 99,188	\$ 114,066
Simplify your life field consultant	\$ —	\$ 75,000	\$ 86,250	\$ 99,188	\$ 114,066
Simplify your life field consultant	\$ —	\$ —	\$ 75,000	\$ 86,250	\$ 99,188
Total	<u>\$ 225,833</u>	<u>\$ 492,500</u>	<u>\$ 777,625</u>	<u>\$ 1,030,519</u>	<u>\$ 1,240,097</u>

Five year profit and loss statement

(Dollars in thousands)

	Year 1	Year 2	Year 3	Year 4	Year 5	
Revenue						
Market one (NYC)	\$ 565.66	\$ 848.49	\$ 1,272.73	\$ 1,909.09	\$ 2,863.64	Plus 50% annually
Market two (TBD)	—	565.66	848.49	1,272.73	1,909.09	Plus 50% annually
Market three (TBD)	—	—	565.66	848.49	1,272.73	Plus 50% annually
Market four (TBD)	—	—	—	565.66	848.49	Plus 50% annually
Market five (TBD)	—	—	—	—	565.66	
Total revenue	\$ 565.65	\$ 1,414.14	\$ 2,686.87	\$ 4,595.97	\$ 7,459.61	
Costs and expenses						
Materials (office supplies)	0.95	1.19	1.48	1.86	2.32	Plus 25% annually
Cellular phones/beepers	5.65	7.06	8.83	11.04	13.79	Plus 25% annually
Salaries	225.83	492.50	777.63	1,030.53	1,240.10	See staffing projection
Tools and supplies	4.50	5.63	7.04	8.79	10.99	Plus 25% annually
Rent	14.00	17.50	21.88	27.34	34.18	Plus 25% annually
Postage	47.00	58.75	73.44	91.80	114.75	Plus 25% annually
Corporate liability insurance	5.40	6.75	8.44	10.55	13.18	Plus 25% annually
Equipment leases	2.70	3.38	4.22	5.27	6.59	Plus 25% annually
Transportation	3.36	4.20	5.25	6.56	8.20	Plus 25% annually
Payroll taxes & benefits	72.27	157.60	248.84	329.77	396.83	32% of salaries
Advertising	60.00	75.00	93.75	117.19	146.48	Plus 25% annually
Sales materials	14.00	17.50	21.88	27.34	34.18	Plus 25% annually
Professional fees	13.43	16.78	20.98	26.22	32.78	Plus 25% annually
Misc. expenses	7.50	9.38	11.72	14.65	18.31	Plus 25% annually
Total costs and expenses	476.59	873.21	1,305.35	1,708.89	2,072.68	
Gross margin	\$ 89.07	\$ 540.94	\$ 1,381.53	\$ 2,887.08	\$ 5,386.93	
Taxes (38%)	\$ 33.85	\$ 205.56	\$ 524.98	\$ 1,097.09	\$ 2,047.03	
Net income	\$ 55.22	\$ 335.38	\$ 856.55	\$ 1,789.99	\$ 3,339.98	
Percentage of sales	10%	24%	32%	39%	45%	

First year cash flow analysis

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7
Materials (office supplies)	\$ 200	\$ 200	\$ 100	\$ 50	\$ 50	\$ 50	\$ 50
Cellular phones	\$ 150	\$ 150	\$ 150	\$ 200	\$ 200	\$ 200	\$ 400
Salaries							
CEO	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250
VP sales/marketing	\$ —	\$ 5,417	\$ 5,417	\$ 5,417	\$ 5,417	\$ 5,417	\$ 5,417
Hot line phone rep	\$ —	\$ —	\$ —	\$ 4,583	\$ 4,583	\$ 4,583	\$ 4,583
Simplify your life field consultant	\$ —	\$ —	\$ —	\$ —	\$ 6,250	\$ 6,250	\$ 6,250
Tools & supplies	\$ —	\$ —	\$ —	\$ 500	\$ 500	\$ 500	\$ 500
Rent	\$ —	\$ —	\$ 500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Postage	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 4,000	\$ 3,000
Corporate liability insurance	\$ 450	\$ 450	\$ 450	\$ 450	\$ 450	\$ 450	\$ 450
Equipment leases	\$ —	\$ —	\$ —	\$ 300	\$ 300	\$ 300	\$ 300
Transportation	\$ 160	\$ 160	\$ 160	\$ 320	\$ 320	\$ 320	\$ 320
Payroll taxes & benefits	\$ 2,000	\$ 3,733	\$ 3,733	\$ 5,200	\$ 7,200	\$ 7,200	\$ 7,200
Advertising	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Sales materials	\$ 4,000	\$ 4,000	\$ 3,000	\$ 3,000	\$ —	\$ —	\$ —
Professional fees	\$ 725	\$ 725	\$ 725	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250
Misc. expenses	\$ 250	\$ 250	\$ 250	\$ 750	\$ 750	\$ 750	\$ 750
Projected expenses	\$ 24,185	\$ 31,335	\$ 30,735	\$ 39,770	\$ 45,020	\$ 44,020	\$ 43,220
Projected income	\$ 3,000	\$ 3,000	\$ 5,245	\$ 10,595	\$ 19,090	\$ 28,385	\$ 38,880
Net	\$ (21,185)	\$ (28,335)	\$ (25,490)	\$ (29,175)	\$ (25,930)	\$ (15,635)	\$ (4,340)

Minimum investment required until positive cash flow achieved in month seven \$ 150,090

Minimum investment required to begin operations (3 months) \$ 75,010

[continued]

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First year cash flow analysis [CONTINUED]

	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Materials (office supplies)	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 950
Cellular phones	\$ 600	\$ 800	\$ 1,000	\$ 1,000	\$ 800	\$ 5,650
Salaries						
CEO	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 75,000
VP sales/marketing	\$ 5,417	\$ 5,417	\$ 5,417	\$ 5,417	\$ 5,417	\$ 59,583
Hot line phone rep	\$ 4,583	\$ 4,583	\$ 4,583	\$ 4,583	\$ 4,583	\$ 41,250
Simplify your life field consultant	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 50,000
Tools & supplies	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 4,500
Rent	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 14,000
Postage	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 47,000
Corporate liability insurance	\$ 450	\$ 450	\$ 450	\$ 450	\$ 450	\$ 5,400
Equipment leases	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 2,700
Transportation	\$ 320	\$ 320	\$ 320	\$ 320	\$ 320	\$ 3,360
Payroll taxes & benefits	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 72,267
Advertising	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 60,000
Sales materials	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 14,000
Professional fees	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 13,425
Misc. expenses	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 7,500
Projected expenses	\$ 43,420	\$ 43,620	\$ 43,820	\$ 43,820	\$ 43,620	\$ 476,585
Projected income	\$ 51,175	\$ 66,170	\$ 85,215	\$ 110,335	\$ 144,568	\$ 559,658
Net	\$ 7,755	\$ 22,550	\$ 41,395	\$ 66,515	\$ 100,948	\$ 83,073